



258 W CENTRAL AVE  
ASHLAND, KY 41101

**MATTHEWS**<sup>™</sup>  
REAL ESTATE INVESTMENT SERVICES

OFFERING MEMORANDUM



## LISTED BY:

**KYLE MATTHEWS**

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License No. 239410 (KY)







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ASHLAND, KY 41101

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## EXECUTIVE OVERVIEW

### THE OPPORTUNITY



#### ADDRESS

258 W Central Ave  
Ashland, KY 41101



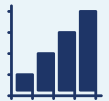
#### PRICE

\$1,040,000



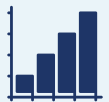
#### YEAR BUILT

1991



#### CURRENT CAP RATE

7.02%



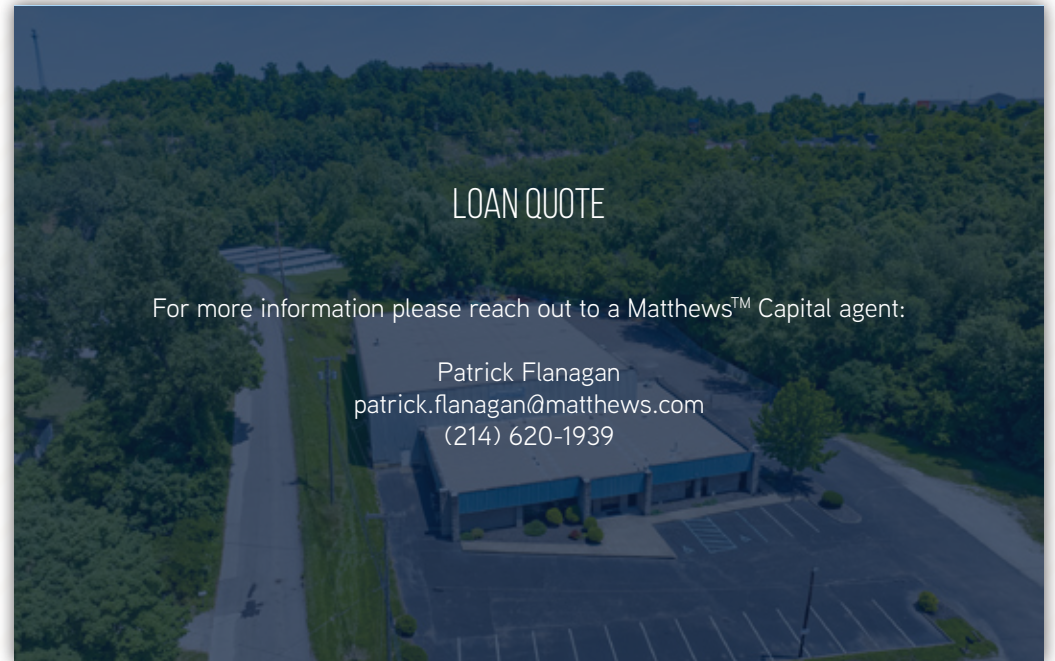
#### 5/1/2023 CAP RATE

7.44%



#### PRICE/SF

\$56.22



### LOAN QUOTE

For more information please reach out to a Matthews™ Capital agent:

Patrick Flanagan  
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# EXECUTIVE OVERVIEW

## INVESTMENT HIGHLIGHTS

- » **Recently Executed Lease Extension:** With a near 20-year operating history, Ferguson Enterprises has recently executed their 7th lease extension at this site.
- » **Upcoming Rental Increase:** With an early lease renewal from Ferguson, this facility has a favorable CPI rental increase in April of 2023.
- » **Publicly Traded Credit Tenant:** Ferguson Enterprises is the largest U.S. distributor of plumbing supplies, HVAC/R products, PVF, waterworks and fire and fabrication production. With an annual revenue of ±\$22.78 billion and over 1,400 locations nationwide, Ferguson Plc has a current credit rating of 'BBB+'.
- » **Property Functionality:** This ±18,500 Sq/ft industrial facility situated on 2.50 acres, is equipped with three (3) dock high doors and one (1) grade level door. Built in 1991 with a reinforced concrete and metal construct, this facility has a Low Coverage IOS (Industrial Outside Storage) component of 17% building-to-lot ratio.
- » **Centralized Location:** Located near the Ohio River, this investment is directly positioned next to the largest shopping center in the city (±835,000 Sq/ft) known as 'Ashland Town Center'. Comprised of several national (retail and industrial) credit tenants such as: Walmart, Kohl's, T. J. Maxx, JCPenney, DICK's Sporting Goods, Ulta Beauty, Kroger Foods, Planet Fitness, O'Reilly Auto Parts and many more.



## FINANCIAL OVERVIEW

### ASSET OVERVIEW

<b>Price</b>	\$1,040,000
<b>Current Cap Rate</b>	7.02%
<b>5/1/2023 Cap Rate</b>	7.44%
<b>Price/SF</b>	\$56.22
<b>Price/SF Land</b>	\$9.55
<b>Total Building sq/ft</b>	±18,500
<b>Land sq/ft</b>	±108,900
<b>Acres</b>	±2.50 AC
<b>Coverage</b>	17%
<b>Construction</b>	Reinforced Concrete and Metal
<b>Dock High Doors</b>	Three (3)
<b>Drive-In Doors</b>	One (1)
<b>Year Built</b>	1991

### TENANT INFORMATION

<b>Tenant</b>	Ferguson Enterprises
<b>Address</b>	258 W Central Ave, Ashland, KY 41101
<b>Lease Type</b>	Industrial NNN
<b>Tenant Responsible</b>	Taxes, Insurance, Maintenance
<b>Landlord Responsible</b>	Roof and Structure
<b>Lease Term Remaining</b>	±4 Years
<b>Lease Commencement</b>	4/15/2003
<b>Lease Expiration</b>	4/30/2026
<b>Rental Increases</b>	50% of CPI at Option Period (6% Rent Increase Commencing May 2023)
<b>Options</b>	Two, 3-Year Options
<b>Current Monthly Rent</b>	\$6,083
<b>Current Annual Rent</b>	\$73,000
<b>Rent/SF</b>	\$3.95
<b>Rent/SF/Month</b>	\$0.33

## FINANCIAL OVERVIEW

### ANNUALIZED OPERATING DATA

TERM	MONTHLY RENT	ANNUAL RENT	RENT INCREASE	RENT/SF	RENT/SF/MONTH	Cap Rate
5/1/2022 - 4/30/2023	\$73,000	\$6,083		\$3.95	\$0.33	7.02%
5/1/2023 - 4/30/2024	\$77,380	\$6,448	(50% CPI - 6% Max Increase)	\$4.18	\$0.35	7.44%
5/1/2024 - 4/30/2025	\$77,380	\$6,448		\$4.18	\$0.35	7.44%
5/1/2025 - 4/30/2026	\$77,380	\$6,448		\$4.18	\$0.35	7.44%
OPTION 1						
5/1/2026 - 4/30/2027	\$82,023	\$6,835	(50% CPI - 6% Max Increase)	\$4.43	\$0.37	7.89%
5/1/2027 - 4/30/2028	\$82,023	\$6,835		\$4.43	\$0.37	7.89%
5/1/2028 - 4/30/2029	\$82,023	\$6,835		\$4.43	\$0.37	7.89%
OPTION 2						
5/1/2029 - 4/30/2030	\$86,944	\$7,245	(50% CPI - 6% Max Increase)	\$4.70	\$0.39	8.36%
5/1/2030 - 4/30/2031	\$86,944	\$7,245		\$4.70	\$0.39	8.36%
5/1/2031 - 4/30/2032	\$86,944	\$7,245		\$4.70	\$0.39	8.36%





**ALDI** **LOWE'S** **Kroger**  
**HOBBY LOBBY** **DOLLAR TREE** **TSC** **TRACTOR SUPPLY CO.**

±1.8 MILES AWAY

US-23 + 28,000 VPD

OHIO RIVER



**Walmart**  
Supercenter

**ASHLAND TOWN CENTER**  
SHOPPING CENTER

**ULTA** **T Mobile** **TJ-maxx** **Stacy's**  
**HIBBETT** **GNC** **Stacy's** **Bath Works**  
**GameStop** **Applebee's** **BAZONS**  
**SEPHORA** **OfficeMax** **LONGHORN** **Speedway**  
**JOANN** **JCPenney**

**verizon**



**SHOGUN**  
STEAK HOUSE

**OUTBACK**  
STEAKHOUSE

**O'Charley's**  
RESTAURANT + BAR

**DICK'S**  
SPORTING GOODS

**PET SMART**

**Great Clips**

**KOHL'S**

**SUBJECT PROPERTY**

ARMCO BLVD

W CENTRAL AVE







## TENANT OVERVIEW



### FERGUSON

Ferguson raises the bar for industry standards as the top-rated wholesale supplier of commercial and residential plumbing supplies. However, our expertise goes beyond plumbing. We are a diverse distributor that spans multiple businesses including HVAC/R, waterworks and industrial. In the past 64 years, we've grown from a local distributor to a ±\$27 billion dollar company with more than 1,400 locations and over 24,000 associates nationwide. We pride ourselves on delivering world-class service and our customers know that “Nobody expects more from us than we do” is more than just a tagline to Ferguson associates. It's a cultural belief that is demonstrated every day through exceptional customer service, product selection and industry knowledge.

#### MARKET POSITION

- Largest U.S. distributor of plumbing supplies, PVF, waterworks and fire and fabrication products
- Fortune 500 Company - Publicly Traded on the NYSE 'FERG'
- Third largest distributor of industrial and HVAC/R products
- Current Credit Rating of 'BBB+'



### AREA OVERVIEW

A map of the Ashland, Ohio area. A dark blue circle with the text "SUBJECT PROPERTY" is centered over the Ashland city area. The map shows various towns and cities including Wurtland, Raceland, Ironton, Russell, Coal Grove, Ashland, Winslow, Summit, Naples, Meads, Cannonsburg, Coalton, Rush, Grayson, Oldtown, Hopewell, Load, Argillite, Rock Camp, Sunrise, Brentwood, Proctorville, Rome, Wilson, Barboursville, Melissa, Lavalette, Salt Rock, Yates, Ona, and Athalia. Major roads are shown with route numbers, and the Ohio-West Virginia border is indicated on the right side.

POPULATION	1 MILE	3 MILE	5 MILE
Current Year Estimate	4,502	33,336	63,407
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
Current Year Estimate	2,000	14,144	26,096
INCOME	1 MILE	3 MILE	5 MILE
Avg Household Income	\$44,583	\$63,110	\$65,380

Ashland is a home rule-class city in Boyd County, Kentucky. Ashland, the largest city in Boyd County, is located upon a southern bank of the Ohio River. Ashland is part of the “metro triangle” that includes Ironton, Ohio and Huntington, West Virginia. The Huntington-Ashland metropolitan area had a population of 361,487, while the Kentucky portion was home to 110,641. The city encompasses 17.02 square miles. Ashland is eastern Kentucky’s largest urban area as well as a center for healthcare, commerce, banking, and recreational activities. Ashland continues to expand in the areas of art, entertainment, and cultural events while moving toward an atmosphere of progression and growth.



## MARSHALL UNIVERSITY

Marshall University located 20 miles from the subject property is a public research university in Huntington, West Virginia. It was founded in 1837. The university is currently composed of nine colleges. It is classified among “R2: Doctoral Universities – High research activity”

Several new facilities have been recently completed on Huntington campus. These buildings include two new first-year student residence halls, a health and recreation center, an engineering lab facility, softball field, and an artificial turf practice field that is open to the public. The Marshall University Foundation Hall, home of the Erickson Alumni Center, finished construction in 2010. In 2013 Marshall began construction on a new indoor practice facility, a new soccer field and the Applied Engineering complex.

Marshall University has continued to expand its academic profile in recent years. The addition of a new school of pharmacy building located on Charleston Ave, adjacent to Hal Greer Boulevard, in Huntington, WV has helped Marshall grow its Health Science Campus. The new school of pharmacy was completed in 2019. Along with this, a new student housing complex was built alongside the new pharmacy school and opened in August 2019. Named The Landing, the housing complex offers luxury units for pharmacy, medical, and graduate Marshall students on the Health Science Campus.

In August 2020 Marshall broke ground on a new school of aviation to be built at Yeager Airport in Charleston, WV. The Bill Noe Flight School will feature a 10,000 sq ft. academic building, a hangar, and an aircraft parking apron. The new school of aviation will offer two undergraduate programs: commercial pilot: fixed wing and aviation maintenance. These new programs began accepting students starting in Fall 2021.

Other new programs offered by the university include a physician assistant program offered through the Joan C. Edwards School of Medicine, which accepted students in its inaugural class in January 2021.





## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **258 W Central Ave, Ashland, KY 41101 (“Property”)**. It has been prepared by Matthews Real Estate Investment Services. The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

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2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

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If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.





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